

Message Text

CONFIDENTIAL

PAGE 01 TOKYO 03725 080816Z
ACTION EB-08

INFO OCT-01 EA-10 ISO-00 STRE-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05
SS-15 STR-07 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02
OMB-01 DOE-11 DOTE-00 /102 W
-----013828 081401Z /23

R 080742Z MAR 78
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 5898

C O N F I D E N T I A L TOKYO 3725

DEPT PASS STR ELECTRONICALLY

E.O.11652: GDS
TAGS: ETRD, JA, US
SUBJECT: UNDER SECRETARY COOPER MEETING WITH VICE MINISTER
MASUDA:
SUGGESTED TALKING POINTS

1. SUMMARY: WE SUGGEST TALKING POINTS FOR COOPER-MASUDA
MEETING ON TRADE, JAPANESE ECONOMIC RESTRUCTURING AND
GROWTH, THE MTNS, AND STEEL. SAME POINTS MAY ALSO BE
USEFUL FOR STR MEETINGS. VICE MINISTER MASUDA, THOUGH
NOT AS INFLUENTIAL NOW SINCE MINISTER USHIBA'S APPOINTMENT
LAST NOVEMBER, IS STILL A KEY ECONOMIC DECISION MAKER
AND A SUPPORTER OF HIGH GROWTH POLICIES. END SUMMARY.

2. FOLLOWING ARE SUGGESTED FOR INCLUSION IN UNDER SEC
COOPER'S TALKING POINTS IN MEETING WITH MITI VICE MINISTER
MASUDA.

3. -- I UNDERSTAND THAT MITI HAS BEEN CONDUCTING STUDIES
ON JAPAN'S FUTURE GROWTH PROSPECTS AND INDUSTRIAL RE-
STRUCTURING. WE SEE HIGHER GROWTH IN JAPAN AS A MAJOR
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TOKYO 03725 080816Z

FACTOR IN GLOBAL RECOVERY. WHAT IS THE OUTLOOK FOR JAPAN
IN FY 1978 AND 1979 AS YOU SEE IT?

-- IF GROWTH IN JAPAN LAGS AND JAPAN'S CURRENT
ACCOUNT DOES NOT DECLINE, AS SEEMS QUITE POSSIBLE,
WHAT POLICY ALTERNATIVES ARE THERE TO CORRECT THE
SITUATION?

--RESTRUCTURING OF JAPAN'S ECONOMY TO IMPROVE ITS RELATIONSHIPS WITH THE ECONOMIES OF YOUR TRADING PARTNERS IS ALREADY IN PROCESS. THESE CHANGES WILL BE COSTLY, BUT ARE NECESSARY STEPS IN SETTING THE STAGE FOR FUTURE PROSPERITY. AFTER THE DIET APPROVES THE NEW AUTHORITY MIPI WANTS TO AID DISTRESSED INDUSTRIES WHAT NEW MEASURES WILL RESULT? WHAT WILL THE IMPACT BE ON FOREIGN TRADE, ESPECIALLY ON JAPAN'S IMPORTS OF MANUFACTURES?

--IT IS EXTREMELY IMPORTANT FOR US TO MAINTAIN THE MOMENTUM IN THE MTNS. WE LOOK TO JAPAN TO MAKE MAJOR IMPROVEMENTS IN ITS TARIFF AND NTM OFFERS TO ACHIEVE THE OBJECTIVE OF EQUIVALENT MARKET ACCESS AS AGREED IN THE STRAUSS-USHIBA STATEMENT.

--WE APPRECIATE JAPAN'S COOPERATION WITH THE TRIGGER PRICE SYSTEM FOR STEEL IMPORTS, AND ARE GLAD THAT THE U.S. STEEL DUMPING CASE HAS BEEN WITHDRAWN.

4. WE BELIEVE MASUDA MAY ASK FOR SEC COOPER ABOUT ADVANCE PURCHASES BY JAPAN, ESPECIALLY SINCE CONTINUED YEN APPRECIATION AND CURVE EFFECTS ARE, IN THE OPINION OF MANY JAPANESE, CONFIDENTIAL

CONFIDENTIAL

PAGE 03 TOKYO 03725 080816Z

DELAYING THE ADJUSTMENT OF JAPAN'S CURRENT ACCOUNT. ACCORDING TO A MITI SOURCE HE MAY SUGGEST ADDITIONAL ADVANCE PAYMENT FOR URANIUM ENRICHMENT SERVICES AS A MEANS OF GENERATING A QUICK CASH FLOW. SINCE MASUDA IS PARTICIPATING IN SOME OF THE ACTIVITIES OF THE JAPANESE IMPORT PROMOTION MISSION HE MAY ALSO WANT TO EXPLAIN HIS VIEW OF ITS PURPOSES, I.E. ESTABLISH NEW AND STRONGER TRADING RELATIONSHIPS AND NOT SCORE JUST A COSMETIC AND SHORT RUN IMPACT. HE MAY ASK ALSO WHAT OUR PLANS FOR FOLLOW-UP WITH U.S. SELLING MISSIONS TO JAPAN.

5. ALTHOUGH MITI IS NOT THE MINISTRY DIRECTLY RESPONSIBLE, WE SHOULD RESTATE OUR EXPECTATION THAT DECISIONS ON WIDE BODIED AIRCRAFT WOULD BE PURELY ECONOMIC AND NOT INFLUENCED BY POLITICAL CONSIDERATIONS.

6. MASUDA WILL WANT TO HEAR COOPER'S EVALUATION OF STATE OF WORLD ECONOMY AND IMPLICATIONS FOR JAPAN.

7. BACKGROUND NOTE: VICE MINISTER MASUDA IS A STRONG AND EFFECTIVE CAREER OFFICIAL OF MITI. HIS ENGLISH IS FAIR. HE HAS BEEN EXTREMELY INFLUENTIAL IN MANY AREAS, HAVING SEIZED THE INITIATIVE IN SOME INTERNATIONAL ECONOMIC AREAS SUCH AS THE COLOR TV OMA NEGOTIATION. SINCE THE APPOINTMENT OF USHIBA AS MINISTER FOR EXTERNAL ECONOMIC AFFAIRS LAST NOVEMBER, MASUDA HAS HAD A LESS PROMINENT ROLE, BUT HE STILL HAS GREAT INFLUENCE. HE AND HIS MINISTRY ARE STRONG SUPPORTERS OF HIGH GROWTH POLICIES IN JAPAN.
SHERMAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETINGS, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TOKYO03725
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780104-0478
Format: TEL
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780390/aaaacypl.tel
Line Count: 128
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: dbef60fcb-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3397708
Secure: OPEN
Status: NATIVE
Subject: UNDER SECRETARY COOPER MEETING WITH VICE MINISTER MASUDA: SUGGESTED TALKING POINTS
TAGS: ETRD, JA, US, (MASUDA), (COOPER)
To: STATE
Type: TE
vdkgvwkey: odbcf://SAS/SAS.dbo.SAS_Docs/dbef60fcb-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014